



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: **Jim Nye, Acting Deputy Director
For Service Delivery**

Date: **December 23, 2002**

From: **Rita Barker, Director
Office of Internal Audit**

Subject: **Audit of SER Burial Payments
September 1, 2001 through June 30, 2002
Audit #2002-007**

The Office of Internal Audit performed an audit of State Emergency Relief (SER) payments for burial services for the period September 1, 2001 through June 30, 2002. We selected a sample of 286 cases at 10 local and district offices. We found 35 cases (12.26%) with exceptions, which are summarized below. We reviewed the casefiles and documentation in the accounting office to determine if a properly completed Authorization/Invoice (FIA-849) and Application (FIA-1171), and a bill or invoice from the funeral home and/or cemetery were on file, and if the file contained evidence that the worker verified that the deceased client had no other assets that could be used to pay for the burial expenses.

We found the following:

1. Two case files could not be located.
1. Three cases had no application on file.
1. In 9 cases the worker did not consider the client's assets when calculating the SER payment.
1. In 2 cases the worker did not consider household income in the SER calculation.
1. One case did not include documentation of the client's home address.
1. In one case the worker determined that a co-payment was necessary even though there were no assets and SSI, which is exempt in the calculation, was the only income.
7. In 2 cases the local/district office paid for a funeral with memorial service even though the client was homeless and had no family.
8. In one case the funeral cost was over the SER limit.
9. Two cases did not have a funeral home invoice documenting the cost of the burial.

10. In 2 cases the local/district office paid the wrong rate, the co-payment was not considered in the SER calculation.
11. In one case the family contribution exceeded the SER allowable limit.
12. In one case the local/district office paid \$1114, although the client's life insurance policy paid the funeral home invoice of \$5,473.42.
13. In four cases the payment made was based on the previous policy, rather than the current policy for infant burials.
14. Four case files did not contain all the necessary documentation to support the payment made.

We found that the required forms and documentation were in the casefiles or on file in the Accounting office for the remaining 251 payments.

All of the above findings have been shared with the appropriate local/district office management, along with our recommendations for corrective action. This summary is provided for your information.

Please contact me if you have any questions concerning this audit or our findings.

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